REMARKS

Amendments

To the Claims

Applicant has amended the claims to clarify that the quantized coefficients represent input data. No new matter has been added as a result of this amendment because original claim 37 recited this limitation.

Rejections

Rejections under 35 U.S.C. § 102(e)

Claims 1-27 and 34-40

Claims 1-27 and 34-40 stand rejected under 35 U.S.C. § 102(e) as being anticipated by van der Schaar et al., U.S. Patent No. 6,788,740. Applicant respectfully submits that Applicant's invention as claimed in claims 1-27 and 39-40 is not anticipated by van der Schaar.

Van der Schaar's quantization process 216 generates integer quantization value coefficients (qcoeff) from video coefficients (coeff) using a quantization parameter (QP) [van der Schaar: col. 7, lines 23-42]. The qcoeff's are input into an entropy coder 218, which encodes the qcoeff's into base layers in a bitstream [col. 8., lines 7-15]. To create the enhancement layers, van der Schaar generates residual error values by comparing each coeff with the corresponding dqoeff (the inverse quantization of qcoeff). The residual error values are encoded by an FGS frame encoder 256 into the enhancement layers using the QP received from the quantization process 216.

The Examiner asserts that the FGS frame encoder 256 encodes the enhancement layers from the fractional parts of quantized coefficient values. However, the coefficients quantized by the FGS frame encoder represent the residual error values, and do NOT represent the input data. Furthermore, the quantization process 216 discards any fractional value that results from quantizing the coeff's that DO represent the input data in order to generate only an integer qcoeff value. Therefore, van der Schaar does not teach or suggest Applicant's claimed encoding of enhancement layers from fractional parts of

quantization values where the quantization values are created from coefficients representing input data.

Accordingly, Applicant respectfully submits that the invention claimed in claims 1-27 and 34-40 is not anticipated by van der Schaar under 35 U.S.C. § 102(e) and respectfully requests the withdrawal of the rejection of the claims.

Claims 28-33 and 41-44

Claims 28-33 and 41-44 stand rejected under 35 U.S.C. § 102(e) as being anticipated by De Bonet et al., U.S. Patent No. 6,510,177. Applicant respectfully submits that Applicant's invention as claimed in claims 28-22 and 41-44 is not anticipated by De Bonet.

The Examiner asserts that De Bonet discloses decoding an enhancement layer bitstream into quantized fractional values because De Bonet decompresses residual I-frames using inverse DCT or PWC processes. Applicant respectfully points out that both inverse DCT and PWC generate data from coefficients. Neither process can generate coefficients from quantized values. Furthermore, like van der Schaar, De Bonet's enhancement layers are encoded residual values. Therefore, De Bonet cannot teach decoding enhancement layers into fractional parts of quantization values where the quantization values are created from coefficients representing input data as claimed by Applicant.

Accordingly, Applicant respectfully submits that the invention claimed in claims 28-33 and 41-44 is not anticipated by De Bonet under 35 U.S.C. § 102(e) and respectfully requests the withdrawal of the rejection of the claims.

SUMMARY

Claims 1-44 are currently pending. In view of the foregoing amendments and remarks, Applicant respectfully submits that the pending claims are in condition for allowance. Applicant respectfully requests reconsideration of the application and allowance of the pending claims.

If the Examiner determines the prompt allowance of these claims could be facilitated by a telephone conference, the Examiner is invited to contact Sue Holloway at (408) 720-8300 x309.
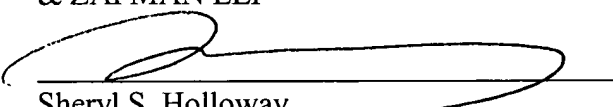
<u>Deposit Account Authorization</u>

Authorization is hereby given to charge our Deposit Account No. 02-2666 for any charges that may be due. Furthermore, if an extension is required, then Applicant hereby requests such extension.

Respectfully submitted,

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